

Rev. Rul. 74-560, 1974-2 C.B. 389

A private foundation constructed a building for use directly in furtherance of purposes described in section 170(c)(2)(B) of the Internal Revenue Code of 1954. On its books the foundation recorded an amount equal to the straight line depreciation for its fiscal year subsequent to 1970 which it proposes to treat as a 'qualifying distribution' within the meaning of section 4942(g)(1)(B).

Held, the amount recorded for depreciation on the foundation's books is not a qualifying distribution under section 4942(g)(1)(B) of the Code.